



MTC STRATEGIC HR PLANNING

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STRATEGIC HR PLANNING

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INTRODUCTION

1.0 Learning Outcomes

By the end of the chapter, participants will be able to:

- a. Comprehend the Need for an HR Plan
- b. Identify the Objectives of an HR Plan
- c. Differentiate Between Traditional HR and Strategic HR
- d. Have Indepth Understanding of the HR Planning Process

In these volatile and challenging times, establishing a Strategic HR Plan that positions the organization to respond to current business challenges has never been more critical. There are key workforce trends and challenges facing organizations globally. They include:

- a. Changing demographics of the workplace, including aging populations, increased diversity, and a multi-generational staffing mix.
- b. The impact of the global financial crisis on organizations, employees, and their customers.
- c. Increased emphasis on corporate governance, corporate responsibility, and sustainability, along with concerns about political stability and security.
- d. The influence of social networking and the impact of related technologies.
- e. Being able to source and retain talent in a highly competitive, global environment.
- f. The importance of balancing work and life as employees juggle multiple family responsibilities.
- g. The continuing emphasis on performance management and the alignment of individual contribution to corporate objectives.

Strategic Human resources planning provides a set of inputs into the strategy formulation process regarding what is possible, that is, whether a firm has the types and numbers of people available to pursue a given strategy.

Most mid-to-large organizations have a strategic plan that guides them in meeting their missions, and they routinely prepare financial plans to ensure they achieve their organizational goals. While Human Resource plans are not as common, they undoubtedly **play the most crucial role in an organization's functioning.**

According to Leon C. Megginson, Human Resource Planning (HRP) is:

“An integrated approach to performing the planning aspects of the personnel function to have a sufficient supply of adequately developed and motivated people to perform the duties and tasks required to meet organizational objectives and satisfy the individual needs and goals of organizational members.”

The terms “resource” or “human resource” refer to **potential, abilities, capacities, and skills that** can be developed through continuous interaction in an organizational setting.

The need to acquire and develop skills that take time is paramount for every organization. Secure the appropriate supply; otherwise, the organization's capacity to fulfill its function will be endangered, thereby underscoring the need for the HR Plan.

The HR Strategic Plan serves as the foundational component of the planning process, driving the establishment of operational plans and, ultimately, the allocation of resources. The closer the alignment between HR and an organization's overall business strategy, the better the company's ability to anticipate and respond to customer needs and to maintain a competitive advantage. Rigorous research, planning, and development involving workforce culture, behaviours, and competencies promote the successful execution of business strategy.

1.1 Need for Strategic HR Planning

In any organization, large or small, three fundamental systems of record form the business backbone: accounting and finance, customer relationship management, and HR and employee management. Many businesses now take a strategic approach to managing these key areas by using advanced systems and technologies to run their accounting and finance processes in real time, as well as to manage their customer relationships. However, many businesses continue to persist with a more reactive approach to HR. That's why it is time to start building your human resources strategic plan (otherwise known as an HR strategy or strategic plan). Here are five essential reasons why you need to think strategically about human resources:

1.1.1 *Helps Build and Retain More Productive and Happy Employees*

Beyond hiring the right candidate, HR strategy plays an essential role in promoting employee engagement and satisfaction. These areas are crucial to developing a happy, productive workforce that will become great ambassadors for your business. With an HR strategic plan, you can determine what is required of you to address your employees' needs. It also maintains morale, measures productivity, and assesses your employees' sense of commitment.

Employee engagement goes hand in hand with retention. Once you have built a team of great people, you need to keep hold of them. So, a big part of your HR strategy needs to be focused on what you can do to retain employees. This includes ways to build your employees' careers through formal recognition programs and career development pathways.

1.1.2 *Forecasting Talent Requirements*

Being able to develop realistic forecasts of your people's needs now and in the future is essential if you are going to win the war on talent. On a day-to-day level, if you know how many staff you require to achieve the future strategic goals of the business and what jobs need to be filled, you can get an early start on finding the right talent. Strategic HR Planning ensures that people are available to provide the continued smooth operation of an organization. It means Strategic HR Planning is regarded as a tool to ensure the future availability of manpower to carry out organizational activities. It determines future human resource needs in terms of quantity and type.

1.1.3 *Continuous Improvement*

Everyone knows that you cannot improve what you do not measure. Without a strategic HR plan, how can you possibly understand what is working and what is not? Through your HR strategy plan, you can formally evaluate specific, measurable factors such as employee turnover, the number of vacant positions, employee grievances, and satisfaction and dissatisfaction levels. If you periodically gather and report data on what is working, you are much more likely to make consistent and accurate decisions.

1.1.4 *Encouragement of Proactive Rather Than Reactive Behavior*

Being proactive means looking ahead and developing a vision of where the company wants to be and how it can use human resources to get there. In contrast, being reactive means responding to problems as they come up. Reactive companies may lose sight of their business's long-term direction; proactive companies are better prepared for the future.

1.1.5 *Obtaining the Best Employees*

Strategic HR Planning also helps attract the best employees and assign them the right work, thereby maximizing efficiency and productivity. A good Strategic HR Plan helps identify organizational needs, develop people, and provide them with growth opportunities.

1.2 **Objectives of Strategic HR Planning**

Strategic HR planning predicts the organization's future HR needs by analyzing its current human resources, the external labor market, and the HR environment in which it will operate. The analysis of HR management issues external to the organization and the development of scenarios about the future distinguish strategic planning from operational planning.

The basic questions to be answered for strategic planning are:

- a. Where are we going?
- b. How will we develop HR strategies to successfully get there, given the circumstances?
- c. What skill sets do we need?

The overall purpose of strategic HR planning is to:

- a. Ensure adequate human resources to meet your organization's strategic goals and operational plans – the right people with the right skills at the right time.
- b. Keep up with social, economic, legislative, and technological trends that impact human resources in your area and the sector.
- c. Remain flexible so your organization can manage change if the future turns out to be different from what is anticipated.

The following are other objectives of Strategic Human Resource Planning:

- a. Assessing future workforce needs and planning recruitment and selection.
- b. Assessing future skill requirements for the organization.
- c. Determining the training and development needs of the organization.
- d. Anticipating surplus or shortage of staff and avoiding unnecessary detentions or dismissals.

- e. Controlling wage and salary costs.
- f. Ensuring optimum use of human resources in the organization.
- g. Helping the organization cope with technological development and modernization.
- h. Ensuring career planning for every employee in the organization and developing succession programs.
- i. Ensuring higher labour productivity.

1.3 HR as a Strategic Business Partner

HR has long been viewed as purely a process-driven function. In today's competitive environment, where everyone is being asked about contribution in terms of value addition, HR is no exception. HR's true strategic opportunity lies in evolving from focusing primarily on tactical administrative transactions to becoming an outcome-driven function that adds value. Adding value requires integrating people's strategies with business strategies in a way that advances the bottom line.

The competitive forces firms face today and will continue to face in the future demand organizational excellence, through which HR departments can make a real contribution to the business by leveraging their value-added and risk-reduction capacity. Unfortunately, many firms still follow a "transactional" and administrative approach to their HR practices, and eventually, their HR departments are viewed as necessary but of little value. Strategic HR differs significantly from traditional HR.

The roadmap for HR becoming a more strategic partner seems clear, both in what it needs to do to be involved in a variety of strategic activities and to become a full strategic partner.

HR needs to organize itself such that the skills and expertise can be harnessed at the organizational level. It needs to use metrics and analytics to measure the impact of its human resource management initiatives and practices implemented at different stages across the organization's value chain.

The HR Business Partner (HRBP) is therefore a Human Resources professional who actively integrates the business strategy with people management practices. He/She is an experienced human resources professional who works directly with an organization's senior leadership to develop and direct an HR agenda that closely aligns with organizational goals.

1.3.1 *Competencies of an HR Business Partner*

There are core competencies required for being a successful HR Business Partner (HRBP).

a. Deep Understanding of HR Processes and Activities

First, the HR business partner should understand HR processes and activities, both in general and in the regional cultural context in which the HRBP operates. This is a requirement to provide the business with advice and to implement excellent HR services.

b. Ability to Take Investment-based Service Approach

Instead of spending an equal amount of time, attention, and resources on everyone, HR leaders should focus on the roles and people, not just in terms of compensation, but in terms of development, opportunities, retention, engagement, and human capital planning, which have maximum impact on the economic value of the business. Review and adjust the time the HR team and line leaders spend on solutions to acquire, develop, engage, and retain critical talent.

c. Ability to Read and Analyze Data

As an HRBP, you should be able to use HR dashboards and reporting, analyze this data, and provide guidance based on it. This again includes a strong contextual understanding of the business as well as the local and cultural issues relevant to the territories you cover. When the business is looking to open a production facility in South Africa, you are looking for different data than when you have an attrition problem in your Nigerian facilities.

d. Ability to Plan for Succession & Manage Talent

You should be able to work regularly with line and senior leaders of your company to build a deep leadership bench with the skills to execute on strategy, and to ensure that critical roles can be filled quickly and effectively in the event of a vacancy.

e. Ability to Operate at a Tactical and Strategic Level

Many of the above competencies require operating at the tactical and strategic levels. Competencies like stakeholder management, dealing with resistance, and communication skills involve more tactical-level skills, while understanding the business, connecting business challenges to HR activities, and having a deep understanding of the business, and being able to look at problems from multiple perspectives are more strategic skills. Effective assessments of HRBPs' strategic and tactical aptitude are key to their success in their roles.

1.4 The HR Planning Process*1.4.1 Understanding the Organizational Strategy*

The HR planning process begins with a thorough understanding of the organisation's strategic direction. HR leaders must examine the organisation's mission, vision, competitive strategy, and long-term business objectives to determine what the organisation intends to achieve over a specific period. This includes analysing expansion plans, market positioning, technological investments, and operational priorities.

By understanding the strategic goals of the organisation, HR can determine the types of skills, competencies, and workforce capabilities required to support these goals. This ensures that HR planning is aligned with business strategy and that workforce decisions contribute directly to organisational growth and sustainability.

1.4.2 Environmental and Strategic Analysis

At this stage, HR conducts an environmental scan to understand the internal and external factors that may influence workforce planning. External factors include labour market conditions, economic trends, technological advancements, regulatory and legal changes, and competition for talent. These factors help HR anticipate challenges in attracting, retaining, and developing employees.

Internal analysis focuses on organisational strengths and weaknesses related to the workforce. This may include examining current workforce capabilities, leadership capacity, organisational culture, employee demographics, and existing HR policies. Tools such as SWOT analysis are often used to evaluate these internal and external influences. The purpose of this stage is to ensure that HR strategies are responsive to both organisational realities and changes in the external environment.

1.4.3 Conduct HR Gap Analysis

HR gap analysis involves comparing the organisation's future workforce requirements with its current workforce capacity. Based on the organisation's strategic goals, HR forecasts the number of employees and the types of skills required in the future. This demand is then compared with the existing supply of talent within the organisation.

The analysis helps identify gaps such as shortages of critical skills, leadership pipeline weaknesses, or excess staff in certain functions. These gaps highlight areas where the organisation must recruit new talent, develop existing employees, or restructure roles. Gap analysis therefore provides the evidence needed to design effective HR strategies.

1.4.4 Define HR Goals and Objectives

Once workforce gaps have been identified, HR must establish clear goals and objectives that will guide workforce management over the planning period. HR goals represent the broader outcomes the organisation intends to achieve, while objectives translate those goals into measurable targets.

For example, an HR goal may be to strengthen organisational capability, while the objective may be to increase leadership development programs or reduce employee turnover. Clear HR goals ensure that all HR initiatives are aligned with the organisation's strategic priorities and provide a framework for measuring success.

1.4.5 Develop Strategic HR Initiatives

At this stage, HR develops the strategies and initiatives required to achieve the defined goals and address identified workforce gaps. Strategic HR initiatives may include recruitment and talent acquisition plans, employee development programs, succession planning frameworks, performance management systems, employee engagement initiatives, and retention strategies.

These initiatives form the core of the HR plan and provide practical actions that will strengthen the organisation's workforce. Each initiative should be designed to enhance workforce capability, improve employee performance, and support organisational growth.

1.4.6 HR Implementation Plan

The implementation stage focuses on translating HR strategies into actionable programs and activities. This involves defining specific tasks, assigning responsibilities, setting timelines, and identifying performance indicators that will guide implementation.

For example, if the HR plan includes a training initiative, the implementation plan would specify the training program, target employees, delivery method, timeline, and expected outcomes. A clear implementation plan ensures that HR strategies move beyond planning and are effectively executed within the organisation.

1.4.7 Budget and Resource Allocation

Successful implementation of HR initiatives requires adequate financial and organisational resources. At this stage, HR determines the budget required to support workforce initiatives such as recruitment campaigns, training programs, employee engagement activities, and HR technology investments.

Resource allocation also involves ensuring that the HR department has the necessary personnel, technology, and infrastructure to implement the HR plan. Proper budgeting ensures that HR initiatives are realistic and sustainable within the organisation's financial capacity.

1.4.8 Monitoring, Evaluation and Adjusting the Plan

The final stage of the HR planning process involves continuously monitoring the progress of HR initiatives and evaluating their effectiveness. HR leaders track key performance indicators such as recruitment efficiency, employee engagement levels, training outcomes, and workforce productivity.

Regular evaluation helps determine whether the HR plan is achieving its intended objectives. If gaps or challenges are identified, adjustments may be made to strategies, budgets, or implementation approaches. This ensures that the HR plan remains flexible and responsive to organisational and environmental changes.

UNDERSTANDING ORGANIZATIONAL STRATEGY

2.0 Learning Outcomes

By the end of the chapter, you will be able to:

- a. Comprehend the Essence of Organizational Strategy in HR Planning
- b. Create a Mission Statement for Your Department
- c. Develop Practical and SMART-C Goals and Objectives

Strategic Human Resource Planning does not occur in isolation, it is shaped by the environment in which an organization operates and the organizational strategy. To effectively plan for talent, HR professionals review the organization's mission, vision, and long-term objectives.

The organization's competitive strategy (cost leadership, differentiation, or focus) is examined to determine workforce implications. HR leaders identify strategic priorities, such as expansion, digital transformation, or market penetration. The HR function collaborates with top management and business leaders to understand future organizational direction.

2.1 Mission Statement of the HR Department

The department's mission statement should explain how the organization's Human Resources will help it meet its business goals. The mission statement should have these basic components:

- a. **Primary functions** or activities of the unit/department – most essential functions, operations, outcomes, and/or offerings of the unit/department.
- b. **Purpose** of the unit/department – primary reasons why you perform your major activities or operations.
- c. **Stakeholders** – groups or individuals that participate in the unit/department and those that will benefit from the unit/department.

Simple Structure of a Functional Unit Mission Statement

A strong mission statement usually answers three questions:

- a. Why does the unit exist?
- b. What does it do?
- c. How does it support the organization?

2.1.1 Questions to Ask When Brainstorming a Mission Statement

The following questions will help you think through the critical issues a mission statement may address; they will provide a rich foundation from which you can develop a more polished mission statement. Mission Statement:

- a. What are the underlying principles or beliefs guiding your department? How will you put them into practice? You can think of these principles as core “values” if it makes the question easier to answer.

- b. Is there a problem or condition you are trying to change? What is it?
- c. What is the ultimate result of your work, product, or service? How is the company going to be different because of it?
- d. How are you going to accomplish your unit's purpose to meet the goal of your organization? What specific activities will your department DO to achieve its end?
- e. Should your mission statement be a paragraph long? Or do you prefer to deliver a succinct yet comprehensive message in one or two sentences?

2.1.2 *General Guiding Principles*

Generally, your mission statement must have these guiding principles:

- a. **Concise:** While not as short as vision statements, mission statements generally still get their point across in one sentence.
- b. **Outcome-oriented:** Mission statements explain the fundamental outcomes your department is working to achieve.
- c. **Inclusive:** While mission statements do make statements about your unit's key goals, they must do so very broadly.

A strategic statement that expresses how human resources help the organization might read as follows:

The mission of the human resources department is to support the goals and challenges of [Company Name] by providing services that promote a work environment that is characterized by fair treatment of staff, open communications, personal accountability, trust and mutual respect. We will seek and provide solutions to workplace issues that support and optimize the operating principles of the organization.

When the mission statement is written this way, it is easier to take a strategic approach to HR planning.

2.2 **Creating Your Mission Statement**

2.2.1 *Understand the Organizational Mission and Strategy*

The starting point for any functional mission statement is the organization's mission.

Key actions:

- a. Review the organization's mission, vision, and strategic objectives.
- b. Identify how the functional unit contributes to achieving these objectives.
- c. Understand the organization's core values and culture.
- d. Determine the strategic priorities of the business (growth, innovation, service quality, etc.).
- e. Ensure the functional mission supports and aligns with corporate strategy.

2.2.2. *Identify the Core Purpose of the Unit*

The mission must clearly define why the department exists.

Key actions:

- a. Define the primary role of the department in the organization.
- b. Identify the key responsibilities the unit performs.
- c. Determine the value the unit provides to the organization.
- d. Focus on the long-term purpose rather than daily tasks.
- e. Ensure the purpose is clear and easy to understand.

2.2.3 Identify Key Stakeholders and Customers

Every functional unit serves specific internal or external stakeholders.

Key actions:

- a. Identify internal customers (employees, departments, leadership).
- b. Identify external stakeholders if applicable (clients, regulators, partners).
- c. Understand stakeholder expectations and needs.
- d. Determine how the department adds value to stakeholders.
- e. Ensure the mission reflects service to these stakeholders.

2.2.4 Define the Core Services or Functions

The mission should describe the main activities or services provided by the unit.

Key actions:

- a. List the primary services or outputs of the department.
- b. Focus on strategic contributions rather than operational tasks.
- c. Highlight how these services support organizational performance.
- d. Keep the scope broad enough for flexibility.
- e. Ensure the services reflect the department's competencies.

2.2.5 Emphasize Value Creation

A strong mission statement explains how the unit contributes to organizational success.

Key actions:

- a. Identify how the unit contributes to efficiency, growth, or innovation.
- b. Highlight the unit's role in supporting strategic objectives.
- c. Demonstrate the impact on organizational performance.
- d. Emphasize value creation rather than activity description.
- e. Show how the unit helps the organization achieve competitive advantage.

2.2.6 Keep the Statement Clear and Concise

A functional mission statement should be short, clear, and memorable.

Key actions:

- a. Limit the mission to one or two concise sentences.
- b. Use simple and direct language.
- c. Avoid excessive jargon or technical terms.
- d. Ensure the message is easy for employees to understand.
- e. Focus on clarity, relevance, and purpose.

2.2.7 *Align with Organizational Values*

The mission must reflect the organization's values and ethical principles.

Key actions:

- a. Incorporate organizational values and culture.
- b. Ensure the mission reflects integrity, professionalism, and accountability.
- c. Align the mission with the organization's leadership philosophy.
- d. Reinforce employee engagement and commitment.
- e. Ensure consistency with corporate governance principles.

2.2.8 *Validate and Communicate the Mission*

Once developed, the mission must be reviewed and communicated effectively.

Key actions:

- a. Validate the mission statement with senior leadership.
- b. Seek input from departmental staff and key stakeholders.
- c. Ensure alignment with organizational strategy.
- d. Communicate the mission through policies, training, and internal communication.
- e. Periodically review and update the mission as organizational strategies evolve.

2.3 Value Statement

When drafting values statements, questions to consider might include:

- a. What values should guide the operations of our company?
- b. What conduct should our employees uphold?
- c. How can we enforce the unique values of our organization?

In conjunction with a values statement, a **code of ethics** puts those values into practice. It outlines the procedures in place to ensure the organization's values are upheld. Questions to consider when creating codes of ethics might include:

- a. What are the common ethical issues in our industry?
- b. What should an employee do if he or she sees a violation of our values?

ENVIRONMENTAL AND STRATEGIC ANALYSIS

3.0 Learning Outcomes

By the end of the chapter, you will be able to:

- a. Conduct an External Environmental Analysis
- b. Recognize Some Labour Market Conditions
- c. Conduct an HR SWOT Analysis

HR External Environmental Analysis is the systematic examination of external factors outside the organization that influence human resource management decisions, workforce planning, and talent management strategies. It helps organizations anticipate changes in the external environment and align HR strategies accordingly.

In Strategic HRM literature, external environmental analysis is often conducted using frameworks such as PESTLE analysis, which evaluates Political, Economic, Social, Technological, Legal, and Environmental factors affecting human resources.

Scholars such as Michael Armstrong and Gary Dessler emphasize that understanding the external environment helps HR managers anticipate workforce challenges, identify opportunities, and develop effective HR strategies.

3.1 Key Components of HR External Environment Analysis

3.1.1 Political Factors

Political conditions influence labour policies and workforce regulations.

Key considerations:

- a. Government policies affecting employment and labour relations.
- b. Political stability and its impact on business operations.
- c. Government initiatives on job creation and skills development.
- d. Public sector wage policies and labour market interventions.
- e. International trade policies affecting workforce mobility.

Example:

Government policies on local content requirements may influence recruitment and workforce development strategies.

3.1.2 Economic Factors

Economic conditions directly affect labour demand, wages, and employment opportunities.

Key considerations:

- a. Economic growth or recession affecting job creation.
- b. Inflation and its effect on salary structures and employee compensation.
- c. Unemployment levels and labour market competition.
- d. Interest rates influencing organizational investment and expansion.
- e. Industry growth trends affecting workforce demand.

Example:

During economic downturns, organizations may adopt cost control measures such as hiring freezes or workforce restructuring.

3.1.3 Social and Demographic Factors

Social trends and demographic changes influence workforce composition and employee expectations.

Key considerations:

- a. Population growth and workforce demographics.
- b. Education levels and skills availability in the labour market.
- c. Changing employee expectations regarding work-life balance.
- d. Cultural diversity and inclusion in the workplace.
- e. Generational workforce trends (Millennials, Gen Z, etc.).

Example:

Younger employees may prefer flexible work arrangements and career development opportunities.

3.1.4 Technological Factors

Technological advancements significantly affect HR practices and workforce skills.

Key considerations:

- a. Automation and digital transformation affecting job roles.
- b. Adoption of HR technologies such as HRIS and AI-driven recruitment systems.
- c. Need for continuous employee training and reskilling.
- d. Remote work technologies enabling flexible work arrangements.
- e. Cybersecurity requirements affecting employee training.

Example:

Digital banking transformation requires employees with data analytics and fintech skills.

3.1.5 Legal and Regulatory Factors

Labour laws and regulatory frameworks shape HR policies and practices.

Key considerations:

- a. Employment laws and labour regulations.
- b. Occupational health and safety standards.
- c. Minimum wage policies and compensation regulations.
- d. Anti-discrimination and equal employment laws.
- e. Employee rights and union regulations.

Example:

Compliance with employment legislation affects hiring practices, termination procedures, and employee benefits.

3.1.6 Environmental and Sustainability Factors

Environmental concerns and sustainability initiatives increasingly influence HR practices.

Key considerations:

- Environmental regulations affecting organizational operations.
- Corporate social responsibility (CSR) expectations.
- Sustainable workplace practices.
- Employee engagement in sustainability initiatives.
- Climate change affecting workforce safety and operations.

Example:

Organizations may develop green HR policies such as environmentally responsible workplace practices.

3.2 Importance of HR External Environmental Analysis

- Helps organizations anticipate labour market trends.
- Supports effective strategic HR planning.
- Enables organizations to adapt HR policies to environmental changes.
- Identifies opportunities and threats affecting workforce management.
- Enhances organizational competitiveness through proactive HR strategies

3.3 Framework for HR External Environmental Analysis (PESTLE MODEL)

Factor	Focus
Political	Government policies and political stability
Economic	Economic growth, inflation, labour market conditions
Social	Workforce demographics and cultural trends
Technological	Digital transformation and automation
Legal	Labour laws and regulatory compliance
Environmental	Sustainability and environmental regulations

Table 1: PESTLE Model

3.4 SWOT Analysis

When using the SWOT analysis, be realistic about the strengths and weaknesses of your department.

a. Strengths (Internal)

Existing workforce capabilities that support organizational goals. Positive attributes, tangible and intangible, internal to your business that are within your control. What do you do well? What advantages do you have over your competition? Example: highly skilled technical staff, strong leadership pipeline, experienced workforce.

b. Weaknesses (Internal)

Internal workforce limitations that could hinder performance or detract you from your ability to obtain or maintain a competitive edge, such as a lack of expertise, limited resources, inferior service offerings, or a poor business location.

c. Opportunities (External)

External conditions that could improve workforce capability. Example: availability of skilled labour in the market, partnerships with universities, emerging training technologies. You need to assess how your company's core skills can be leveraged to capitalize on these opportunities.

d. Threats (External)

Factors beyond your control that could place business at risk and may lead to deteriorating revenues or profits, such as competition, price increases by suppliers, economic downturns, or a shift in consumer behaviour.

When conducting a SWOT analysis, be realistic about your organization's strengths and weaknesses. This assessment must focus on how the external environment may impact Human Resource needs.

3.4.1 Sample of HR SWOT Analysis

STRENGTH	WEAKNESS
<ol style="list-style-type: none"> Hiring talented people Company growth Technology implementation for business processes Excellent relationship between HRM and management/executives 	<ol style="list-style-type: none"> No strategic plan for HRM No planning for up/down cycles No formal training processes Lacking the software needed to manage business processes, including go-to-market staffing strategies
OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> Development of an HRM staffing plan to meet industry growth HRM software purchase to manage training, staffing, and assessment needs for an unpredictable business cycle Continuing development of HRM and executive relationship by attendance and participation in key meetings and decision-making processes Develop training programs and outside development opportunities to continue the development of in-house marketing expertise 	<ol style="list-style-type: none"> Economy Changing technology

CONDUCTING HR GAP ANALYSIS

4.0 Learning Outcomes

By the end of the chapter, you will be able to:

- a. Assess and Identify Current Workforce Capabilities
- b. Forecast Future Workforce Requirements
- c. Develop Strategies to Address Gaps
- d. Adopt Tools for HR Gap Analysis

HR Gap Analysis is a strategic HR planning tool used to identify the difference between the current workforce capabilities and the future human resource requirements of an organization. It helps HR managers determine whether the organization has the right number of employees with the right skills to achieve its strategic goals. Scholars such as Michael Armstrong and Gary Dessler emphasize that HR gap analysis is critical for effective workforce planning.

4.1 Five Key Points Explaining HR Gap Analysis

4.1.1 Identification of Current Workforce Capabilities

HR gap analysis begins with evaluating the organization's existing workforce. This provides a clear understanding of the organization's current human resource capacity.

Key aspects include:

- a. Assessing the number of employees currently available.
- b. Evaluating skills, competencies, and qualifications of employees.
- c. Reviewing employee performance and productivity levels.
- d. Analyzing workforce demographics such as age, experience, and tenure.
- e. Identifying key talent and critical positions within the organization.

4.1.2 Forecasting Future Workforce Requirements

The organization must determine the future human resource needs based on strategic plans. This helps HR anticipate future workforce demand.

Key aspects include:

- a. Estimating the number of employees required in the future.
- b. Identifying new skills and competencies needed.
- c. Considering business expansion, new projects, or technological changes.
- d. Assessing future leadership and managerial needs.
- e. Aligning workforce requirements with organizational strategic goals.

4.1.3 Comparing Current Workforce with Future Needs

HR gap analysis involves comparing existing workforce capabilities with future workforce requirements. This comparison helps determine the magnitude and nature of workforce gaps.

Key aspects include:

- a. Identifying skills shortages within the organization.
- b. Detecting excess workforce in certain areas.
- c. Evaluating whether employees have competencies required for future roles.
- d. Identifying gaps in leadership or technical expertise.
- e. Assessing the impact of these gaps on organizational performance.

4.1.4 Identifying Skill Shortages and Surpluses

Once the comparison is completed, HR identifies specific gaps. This stage clarifies where human resource interventions are needed.

Key aspects include:

- a. Determining areas where additional employees are required.
- b. Identifying departments with excess staff.
- c. Detecting critical skill shortages that could hinder organizational performance.
- d. Recognizing positions requiring specialized expertise.
- e. Identifying opportunities for redeployment or restructuring.

4.2 Key Areas for Gap Analysis

HR professionals typically analyze gaps in the following areas:

a. Skills and Competency Gaps: Identifies differences between existing employee skills and skills required for future roles.

Example:

Digital literacy gaps in organizations undergoing digital transformation.

b. Staffing Level Gaps: Occurs when the number of employees available is insufficient or excessive relative to organizational needs.

Example:

A growing organization may require additional staff in sales or operations.

c. Performance Gaps: Occurs when employees are not achieving expected performance standards.

Example:

Low productivity due to lack of training or ineffective supervision.

d. Leadership and Succession Gaps: Occurs when there are insufficient qualified employees to fill key leadership positions in the future.

Example:

Senior managers approaching retirement without succession plans

4.3 Tools for Gap Analysis

4.3.1 Workforce Analytics

Workforce analytics involves the use of data and statistical analysis to understand workforce trends and predict future HR needs. HR can analyze data such as:

- a. Employee turnover rates
- b. Hiring trends
- c. Workforce demographics
- d. Productivity levels
- e. Absenteeism patterns

Workforce analytics helps HR identify emerging talent shortages, workforce risks, and future staffing needs.

4.3.2 Competency Frameworks

A competency framework outlines the knowledge, skills, abilities, and behaviors required for successful performance in different roles. It typically includes:

- a. Core organizational competencies
- b. Technical competencies
- c. Leadership competencies

By comparing current employee competencies with required competencies, HR can identify specific skill gaps that require development or recruitment.

4.3.3 Skills Inventory (Skills Database)

A skills inventory is a structured record of employees' qualifications, skills, certifications, experience, and competencies. It may include:

- a. Educational qualifications
- b. Professional certifications
- c. Technical skills
- d. Language skills
- e. Years of experience

It allows HR to quickly identify existing talent within the organization and areas where additional skills are required.

4.3.4 Performance Appraisal Systems

Performance appraisal systems provide structured evaluations of employee performance against defined objectives and competencies. They typically assess:

- a. Achievement of performance targets
- b. Competency levels
- c. Strengths and weaknesses
- d. Development needs

Performance data helps HR identify performance gaps and areas where employees require additional support, training, or coaching.

4.3.5 *Employee Surveys and Feedback*

Employee surveys collect feedback on employees' experiences, satisfaction, engagement levels, and perceptions of the workplace. Examples include:

- a. Employee engagement surveys
- b. Job satisfaction surveys
- c. Organizational culture assessments
- d. Exit interviews

Employee feedback helps HR detect hidden issues affecting workforce performance, motivation, and retention.

4.3.6 *HR Information Systems (HRIS)*

An HR Information System is a digital platform used to manage employee data and HR processes. HRIS systems may store information on:

- a. Workforce demographics
- b. Attendance records
- c. Performance data
- d. Training records
- e. Compensation data

HRIS enables HR professionals to analyze workforce data efficiently and identify patterns that reveal potential HR gaps.

4.3.7 *Succession Planning Tools*

Succession planning tools help organizations identify high-potential employees and prepare them for future leadership roles. These tools assess:

- a. Leadership potential
- b. Readiness for promotion
- c. Development needs

They help organizations detect leadership gaps and ensure continuity in critical positions.

4.3.8 *Workforce Forecasting Models*

Workforce forecasting uses predictive methods to estimate future workforce requirements based on business plans and market trends. Methods may include:

- a. Trend analysis
- b. Scenario planning
- c. Ratio analysis
- d. Predictive workforce modeling

Forecasting helps HR identify future workforce shortages before they occur

HR GOALS AND OBJECTIVES

5.0 Learning Outcomes

By the end of the chapter, you will be able to:

- a. Know Strategic HR Objectives Areas
- b. Set SMART-C Objectives
- c. Recognize and Adopt Some HR Objectives

The most powerful HR strategic objective areas are the critical domains where organizations set HR objectives to align human capital with long-term business strategy. These areas focus on building a high-performing workforce, strengthening leadership, and ensuring organizational competitiveness.

Strategic HR scholars such as Michael Armstrong, Dave Ulrich, and Gary Dessler emphasize that modern HR strategy focuses not only on administrative functions but also on talent, leadership, culture, and organizational capability.

5.1 HR Strategic Objective Areas

5.1.1 *Talent Acquisition and Workforce Planning*

This area focuses on attracting and maintaining the right workforce for organizational growth.

Key focus areas:

- a. Strategic workforce planning
- b. Recruitment and selection processes
- c. Employer branding
- d. Talent pipeline development
- e. Diversity and inclusive hiring

Example:

Develop a high-quality talent pipeline for critical roles.

5.1.2 *Employee Training and Capability Development*

Organizations must continuously develop employee skills to remain competitive.

Key focus areas:

- a. Professional training programs
- b. Leadership development initiatives
- c. Skills development and reskilling
- d. Knowledge management systems
- e. Continuous learning culture

Example:

Improve employee competency levels and productivity.

5.1.3 Leadership Development and Succession Planning

Strong leadership is essential for organizational sustainability.

Key focus areas:

- a. Identifying high-potential employees
- b. Developing future leaders
- c. Executive coaching and mentoring
- d. Leadership competency frameworks
- e. Succession planning for key positions

Example:

Ensure leadership continuity in critical roles.

5.1.4 Performance Management and Productivity Improvement

Organizations need systems to measure and improve employee performance.

Key focus areas:

- a. Performance appraisal systems
- b. Goal alignment between employees and strategy
- c. Continuous feedback and coaching
- d. Productivity improvement initiatives
- e. Performance-based rewards

Example:

Enhance organizational productivity and accountability.

5.1.5 Compensation, Rewards, and Employee Value Proposition

Competitive compensation and benefits attract and retain talent.

Key focus areas:

- a. Competitive salary structures
- b. Incentive and bonus systems
- c. Employee benefits and welfare programs
- d. Recognition and reward programs
- e. Total rewards strategy

Example:

Increase employee motivation and retention through competitive rewards.

5.1.6 Employee Engagement and Organizational Culture

Engaged employees contribute more effectively to organizational success.

Key focus areas:

- a. Employee engagement initiatives
- b. Workplace culture development
- c. Communication and collaboration systems
- d. Work-life balance programs
- e. Employee recognition and appreciation

Example:

Build a high-performance organizational culture.

5.1.7 Talent Retention and Employee Experience

Organizations must retain key employees to maintain stability and performance.

Key focus areas:

- a. Career development opportunities
- b. Employee satisfaction programs
- c. Workplace environment improvement
- d. Retention strategies for high performers
- e. Employee well-being initiatives

Example:

Reduce employee turnover and retain top talent.

5.1.8 HR Technology and Digital Transformation

Technology is transforming HR management practices.

Key focus areas:

- a. HR information systems (HRIS)
- b. Digital recruitment platforms
- c. HR analytics and data-driven decision making
- d. Automation of HR processes
- e. Remote work technologies

Example:

Improve HR efficiency through digital HR systems.

5.1.9 Organizational Development and Change Management

Organizations must adapt to changes in markets, technology, and strategy.

Key focus areas:

- a. Organizational restructuring
- b. Change management programs
- c. Process improvement initiatives
- d. Culture transformation

- e. Organizational agility

Example:

Enhance organizational adaptability and innovation.

5.1.10 HR Governance, Compliance, and Risk Management

HR must ensure legal compliance and ethical workforce management.

Key focus areas:

- a. Compliance with labour laws and regulations
- b. Workplace safety and health standards
- c. Ethical HR practices and corporate governance
- d. Risk management in workforce planning
- e. Policy development and HR audits

Example:

Ensure compliance and minimize workforce-related risks.

5.2 SMART-C HR Objectives for Key Strategic HR Areas

Below are examples of SMART-C (Specific, Measurable, Achievable, Relevant, Time-bound, Challenging) HR objectives for the 10 strategic HR objective areas discussed earlier. These examples reflect practical HR targets used in many organizations and align with frameworks

*5.2.1 Talent Acquisition and Workforce Planning***SMART-C Objective**

Reduce the average recruitment cycle time from 60 days to 40 days within the next 12 months by improving recruitment processes and expanding talent sourcing channels.

*5.2.2 Training and Capability Development***SMART-C Objective**

Provide a minimum of 40 hours of professional training annually to at least 85% of employees by December 2027 to improve workforce skills and productivity.

*5.2.3 Leadership Development and Succession Planning***SMART-C Objective**

Develop and implement a succession plan for 100% of critical leadership roles within 18 months, ensuring at least two internal successors are identified for each role.

*5.2.4 Performance Management and Productivity***SMART-C Objective**

Achieve 95% completion of annual performance appraisals across all departments by the end of the current financial year and increase employee productivity by 15% within two years.

5.2.5 *Compensation and Rewards Management*

SMART-C Objective

Conduct a market salary benchmarking exercise within the next 6 months and adjust compensation structures to ensure pay competitiveness within the top 25% of the industry by next year.

5.2.6 *Employee Engagement and Organizational Culture*

SMART-C Objective

Increase the employee engagement score from 68% to 80% within 24 months through improved communication, recognition programs, and leadership engagement initiatives.

5.2.7 *Talent Retention and Employee Experience*

SMART-C Objective

Reduce voluntary employee turnover from 18% to 10% within two years by implementing career development programs and improved employee benefits.

5.2.8 *HR Technology and Digital Transformation*

SMART-C Objective

Implement a fully integrated HR Information System (HRIS) across all departments within 12 months, reducing manual HR administrative tasks by 40%.

5.2.9 *Organizational Development and Change Management*

SMART-C Objective

Implement an organizational change management program within 12 months to improve cross-department collaboration and increase operational efficiency by 20%.

5.2.10 *HR Governance and Compliance*

SMART-C Objective

Achieve 100% compliance with labour laws and internal HR policies through annual HR audits and compliance training programs by the end of the financial year.

5.3 **Steps in Developing Your Department's Goal and Objectives**

a. Be 100% Sure About Company Goal

As discussed in the previous unit, sit down with company executives, management, and supervisors to ensure you have a clear understanding of the company's goals. If you are clear about the goal, you can move to the next step, which is developing your department's goal.

b. Break Company Goal into Department Goal and Objectives

Knowing your company's goal will help you define the HR department's goal based on how your department can help the company achieve the overall goal.

By developing your department's goal, meet as a team and brainstorm some indicators that, if achieved, would help guarantee the company's goal. Meeting as a team ensures buy-in and gives you the best chance of winning.

Remember, it must follow the **S.M.A.R.T.C** framework to create actionable, clearly defined indicators of success.

- i. **Be Specific:** Being specific is essential. It shows you understand who, where, what, which, and how you intend to manage your department's affairs.
- ii. **Set Measurable Goals:** Track the set goals qualitatively and quantitatively. This will depend on the metric and attach KPIs (Key Performance Indicators) to the goal so you know when it has been achieved—in this case, “revenue”.
- iii. **Set Attainable Goals:** Do not set goals that your unit cannot achieve. Generally, goals should be easy to reach. If you do not set an attainable goal, it could become too lofty or overwhelming. This will make you feel that it is hopeless trying to reach that goal.
- iv. **Be Realistic:** Know what you want your department to achieve, and work towards it. If hiring someone will help, go for it without hesitation.
- v. **Time-Related:** You will need an absolute deadline. In short, set a deadline for achieving these goals.
- vi. **Challenging:** The goal should be difficult enough to require effort and stretch your abilities without being impossible.

c. Break the Department Goals and Objectives into Individual Goals and Objectives

Take the same approach as you did with the departmental goals. Challenge each team member to pick a departmental goal to align with their individual goal. It will take some thinking and brainstorming to truly operationalize each company's goal. This takes time, but the payoff is huge if executed correctly.

5.4 Recommended Goals and Objectives

The HR department should focus its **goals and objectives** on the following areas:

- a. Recruiting and retaining high-quality people.
 - i. What sort of people do we need in the company?
 - ii. What opportunities do we have to develop and engage our employees?
 - iii. What are the threats with regard to the retention of key employees?
 - iv. Do you provide efficient, cost-effective, and high-quality support to managers in recruitment and selection?
- b. Enhancing the training and development program.
 - i. What are the threats with regard to skills shortages?
 - ii. What programs can be developed to enhance the staff's skill set?
 - iii. Are there any set learning and development policies to ensure support for organizational objectives?

- c. Encouraging and maintaining a high-performance culture.
 - i. What activities of employees drive a high-performance culture?
 - ii. Do outputs match the organization's goals?
 - iii. What measures are used to compare an employee's performance with the desired performance?
 - iv. What targeted career development pathways and talent management approaches can be used to ensure a high-performance culture?

- d. Facilitating employee engagement.
 - i. How engaged is the Workforce?
 - ii. What is the business impact of High Engagement?
 - iii. What drives employees' decisions to commit to staying with the organization and volunteering extra effort on the Job?
 - iv. How does engagement differ by employee segment and by Organization?
 - v. How can HR establish a High-Performance relationship with employees in support of business needs?

- e. Ensuring HR best practice and compliance (Legal and Organizational Policy).
 - i. Is there an existing HR policy manual?
 - ii. Do HR activities reflect policies in the HR manual?
 - iii. Is it regularly updated?
 - iv. Do employees comply with the policy?
 - v. How is compliance with HR policy regulated?

- f. Delivering excellent HR service
 - i. How can you get employees to deliver excellent service?

- g. Administering effective appraisals and performance management
 - i. What are the drivers of performance in the organization?
 - ii. To what extent do these issues involve HR considerations?
 - iii. What contribution should our people make to drive performance?

- h. Promoting an inclusive working environment
 - i. Is staffing culturally inclusive?
 - ii. Are the staff recognized for their efforts?
 - iii. Are the staff adequately rewarded?

DEVELOPING STRATEGIC HR INITIATIVES

6.0 Learning Outcomes

By the end of the chapter, you will be able to:

- a. Understand and Implement Diverse HR Strategies such as Employee Engagement Strategies, Attrition&Retention Strategies, etc.
- b. Outline Tactics for Various HR Strategies

6.1. Attraction, Recruitment & Hiring Strategies

Attraction, recruitment, and hiring strategies focus on how an organization identifies, attracts, selects, and hires the right talent to meet its workforce needs. These strategies ensure that the organization brings in individuals with the required skills, experience, and cultural fit to support organizational goals.

6.1.1 Importance of the Strategy

Effective recruitment strategies help organizations secure high-quality talent, reduce hiring costs, shorten time-to-fill positions, and strengthen organizational capability. Without a strong attraction and recruitment strategy, organizations risk hiring unsuitable candidates, which can lead to poor performance, high turnover, and operational inefficiencies.

6.1.2 Key Tactics / Actions

- a. Develop a clear employer branding strategy to attract high-quality candidates.
- b. Use diverse recruitment channels such as job portals, professional networks, and university partnerships.
- c. Implement competency-based interviews and structured selection processes.
- d. Establish talent pipelines for critical roles through internships and graduate programs.
- e. Use workforce analytics to predict hiring needs and plan recruitment proactively.
- f. Introduce structured onboarding programs to ensure successful integration of new hires.

6.1.3 Examples of HR Interventions

HR departments may implement several recruitment approaches to attract and hire suitable candidates. Common recruitment strategies include:

- a. **Job Posting:** Advertising vacancies internally or externally through company websites, job boards, or career portals.
- b. **Employee Referrals:** Encouraging current employees to recommend potential candidates for open positions.
- c. **Internet Recruiting (E-Recruitment):** Using online platforms such as LinkedIn, recruitment websites, and social media to attract applicants.
- d. **Campus Recruitment:** Partnering with universities and training institutions to recruit graduates and interns.
- e. **Recruitment Outsourcing (RPO):** Engaging external recruitment agencies or consultants to manage the hiring process.
- f. **Talent Pools:** Maintaining databases of potential candidates for future hiring needs.

6.2 Attrition & Retention Strategies

Attrition and retention strategies focus on managing employee turnover and creating conditions that encourage employees to remain with the organization. These strategies address factors that influence employee satisfaction, loyalty, and long-term commitment.

6.2.1 Importance of the Strategy

High employee turnover leads to increased recruitment costs, loss of institutional knowledge, reduced productivity, and disruption to organizational operations. Effective retention strategies help organizations maintain stability, preserve talent, and improve employee morale.

6.2.2 Key Tactics / Actions

- a. Conduct regular employee exit interviews to identify causes of turnover.
- b. Offer competitive compensation and benefits packages.
- c. Develop clear career progression pathways for employees.
- d. Implement employee recognition and reward programs.
- e. Strengthen leadership and management practices that support employee development.
- f. Promote work-life balance initiatives and flexible work arrangements.

6.2.3 Examples of HR Interventions

Organizations may adopt several approaches to retain valuable employees and reduce turnover.

- a. **Career Development Programs:** Structured career progression pathways that allow employees to grow within the organization.
- b. **Competitive Compensation Packages:** Salary benchmarking and performance-based incentives.
- c. **Employee Recognition Programs:** Awards, appreciation events, and performance recognition systems.
- d. **Work-Life Balance Initiatives:** Flexible work schedules, remote work options, and wellness programs.
- e. **Retention Interviews:** Periodic discussions with employees to understand concerns and career aspirations.
- f. **Succession Planning:** Identifying and preparing employees for future leadership roles.

6.3 Employee Engagement Strategies

Employee engagement strategies aim to create a work environment where employees feel motivated, committed, and emotionally connected to the organization's goals and values.

6.3.1 Importance of the Strategy

Engaged employees are more productive, innovative, and committed to organizational success. High levels of engagement lead to improved performance, stronger teamwork, and reduced absenteeism and turnover.

6.3.2 Key Tactics / Actions

- a. Conduct regular employee engagement surveys to gather feedback.

- b. Encourage open communication between employees and management.
- c. Recognize and celebrate employee achievements and contributions.
- d. Provide opportunities for employee involvement in decision-making processes.
- e. Promote a positive organizational culture that values respect and collaboration.
- f. Organize team-building activities and staff engagement programs.

6.3.3 Examples of HR Interventions

HR can implement several initiatives to improve employee commitment and involvement in the organization.

- a. **Employee Engagement Surveys:** Periodic surveys to measure employee satisfaction and morale.
- b. **Town Hall Meetings:** Regular leadership communication sessions with employees.
- c. **Employee Suggestion Programs:** Platforms for employees to contribute ideas for organizational improvement.
- d. **Team Building Activities:** Workshops and social activities that strengthen teamwork and collaboration.
- e. **Employee Recognition Events:** Celebrations of achievements and milestones.
- f. **Internal Communication Platforms:** Tools such as intranets, newsletters, or internal social networks.

6.4 Employee Experience Strategies

Employee experience strategies focus on improving the overall journey of employees within the organization, from recruitment and onboarding to career development and exit. It considers how employees perceive their work environment, leadership, culture, and opportunities.

6.4.1 Importance of the Strategy

A positive employee experience enhances job satisfaction, strengthens employee loyalty, and increases productivity. Organizations that prioritize employee experience often attract better talent and retain high-performing employees.

6.4.2 Key Tactics / Actions

- a. Design structured onboarding programs that help employees settle quickly into their roles.
- b. Create supportive workplace environments that promote wellbeing and productivity.
- c. Provide regular feedback and development discussions with employees.
- d. Introduce digital HR systems that simplify HR processes and employee interactions.
- e. Encourage leadership behaviours that foster respect, inclusion, and support.
- f. Continuously review workplace policies and practices to improve employee satisfaction.

6.4.3 Examples of HR Interventions

Improving employee experience requires initiatives that enhance employees' journey within the organization.

- a. **Structured Onboarding Programs:** Orientation sessions that help new employees integrate into the organization.

- b. **Employee Wellness Programs:** Health initiatives such as medical screenings, counselling services, and fitness programs.
- c. **Digital HR Platforms:** Self-service HR portals that allow employees to manage leave, payroll, and benefits.
- d. **Feedback Systems:** Mechanisms that allow employees to provide feedback about workplace conditions.
- e. **Workplace Environment Improvements:** Safe, comfortable, and well-equipped workspaces.
- f. **Employee Journey Mapping:** Identifying key moments that shape employee satisfaction throughout their career.

6.5 Performance Strategies

Performance strategies focus on establishing systems that measure, manage, and improve employee performance. These strategies align individual performance with organizational goals.

6.5.1 Importance of the Strategy

Effective performance management ensures that employees understand expectations, receive regular feedback, and are supported to improve their performance. It helps organizations achieve higher productivity, accountability, and goal alignment.

6.5.2 Key Tactics / Actions

- a. Establish clear performance objectives aligned with organizational strategy.
- b. Implement regular performance reviews and feedback sessions.
- c. Use performance metrics and KPIs to track employee productivity.
- d. Provide coaching and mentoring to support employee improvement.
- e. Introduce performance-based rewards and recognition systems.
- f. Address underperformance through structured performance improvement plans.

6.5.3 Examples of HR Interventions

Performance strategies often involve systems and processes that help employees achieve organizational objectives.

- a. **Performance Management Systems:** Structured systems for goal setting, monitoring, and evaluating employee performance.
- b. **Key Performance Indicators (KPIs):** Clear measurable targets aligned with organizational objectives.
- c. **Performance Appraisals:** Annual or periodic performance evaluation discussions.
- d. **Performance Improvement Plans (PIPs):** Structured support for employees experiencing performance challenges.
- e. **Coaching and Mentoring Programs:** Support systems to improve employee performance.
- f. **Performance-Based Incentives:** Bonuses and rewards tied to achievement of targets.

6.6 Learning & Development Strategies

Learning and development strategies focus on enhancing employees' knowledge, skills, and competencies to improve organizational capability and prepare employees for future roles.

6.6.1 Importance of the Strategy

Continuous learning ensures that employees remain competent and adaptable in a rapidly changing business environment. It helps organizations build internal talent pipelines, improve productivity, and foster innovation.

6.6.2 Key Tactics / Actions

- a. Conduct training needs assessments to identify skill gaps.
- b. Provide regular professional development and training programs.
- c. Implement leadership development and succession planning initiatives.
- d. Encourage knowledge sharing and mentoring within the organization.
- e. Support employees to obtain professional certifications and qualifications.
- f. Use digital learning platforms for continuous learning opportunities.

6.6.3 Examples of HR Interventions

HR departments may use several approaches to build employee capabilities and improve organizational performance.

- a. **Employee Orientation Programs:** Introducing new employees to organizational culture, policies, and expectations.
- b. **General / External Training:** Training programs conducted by external institutions or consultants.
- c. **In-House / Specific Training:** Internal training designed to develop organization-specific skills.
- d. **Leadership Development Programs:** Preparing employees for managerial or leadership roles.
- e. **Professional Certification Programs:** Sponsoring employees to obtain industry-recognized qualifications.
- f. **E-Learning Platforms:** Online learning systems that provide flexible training opportunities.

6.7 Diversity, Equity & Inclusion (DEI) Strategies

DEI strategies aim to create a workplace where individuals from diverse backgrounds are treated fairly, have equal opportunities, and feel respected and valued.

6.7.1 Importance of the Strategy

Diverse and inclusive workplaces benefit from broader perspectives, improved innovation, and better decision-making. DEI strategies also strengthen organizational reputation and promote fairness and equality within the workforce.

6.7.2 Key Tactics / Actions

- a. Implement inclusive recruitment practices that promote workforce diversity.
- b. Establish policies that promote equal opportunities and fair treatment.
- c. Conduct training on unconscious bias and inclusive leadership.
- d. Ensure equitable pay and promotion practices across demographic groups.
- e. Encourage employee resource groups and diversity initiatives.
- f. Monitor diversity metrics and regularly review inclusion practices.

6.7.3 Examples of HR Interventions

Organizations can adopt several initiatives to promote diversity, fairness, and inclusion.

- a. **Inclusive Recruitment Practices:** Ensuring diverse candidate pools during hiring.
- b. **Equal Opportunity Policies:** Policies that ensure fair treatment in hiring, promotion, and compensation.
- c. **Diversity Awareness Training:** Programs that promote cultural understanding and inclusion.
- d. **Employee Resource Groups (ERGs):** Networks that support employees from diverse backgrounds.
- e. **Pay Equity Reviews:** Regular audits to ensure fair compensation across demographic groups.
- f. **Inclusive Leadership Programs:** Training leaders to manage diverse teams effectively.

6.8 Ergonomics Strategies

Ergonomics strategies focus on designing workplaces, tools, and work processes to fit the physical and psychological needs of employees. The aim is to create a work environment that promotes comfort, efficiency, safety, and productivity while reducing the risk of work-related injuries and fatigue.

6.8.1 Importance of the Strategy

Ergonomic workplace practices play a critical role in improving employee health, productivity, and job satisfaction. Poor workplace design can lead to musculoskeletal disorders, fatigue, reduced concentration, and increased absenteeism. In HR planning, ergonomics strategies ensure that employees are able to perform their duties effectively without unnecessary physical strain or health risks. Ultimately, ergonomic practices contribute to a healthier workforce and improved organisational performance.

6.8.2 Key Tactics / Actions

- a. Conduct regular ergonomic assessments of workstations and workplace environments.
- b. Provide ergonomically designed office furniture and equipment such as adjustable chairs and desks.
- c. Educate employees on proper posture and safe work practices.
- d. Introduce regular breaks and stretch routines to reduce fatigue and physical strain.
- e. Implement workplace safety policies that address physical work conditions.
- f. Monitor and address workplace health complaints related to posture, strain, or fatigue.

6.8.3 Examples of HR Interventions

HR departments can implement various initiatives to improve workplace ergonomics, including:

- a. **Workstation Ergonomic Assessments:** Evaluating desks, chairs, monitors, and equipment to ensure proper alignment and comfort.
- b. **Ergonomic Training Programs:** Educating employees on correct sitting posture, workstation setup, and movement practices.
- c. **Provision of Ergonomic Equipment:** Adjustable chairs, standing desks, monitor risers, keyboard supports, and footrests.
- d. **Health and Safety Awareness Campaigns:** Promoting workplace safety and proper body mechanics.
- e. **Flexible Work Break Policies:** Encouraging periodic breaks to reduce fatigue and eye strain.
- f. **Workplace Environment Improvements:** Ensuring proper lighting, ventilation, and workspace layout.

HR IMPLEMENTATION PLAN

7.0 Learning Outcomes

By the end of the chapter, you will be able to:

- a. Comprehend the Components of an Implementation Plan
- b. Develop an Actionable Implementation Plan

Once the Human Resource Strategic Plan is complete, it must be implemented appropriately. The most effective and efficient plan in history can be useless not only if not implemented, but also if implemented improperly or without sufficient means to measure its performance after implementation. Below is a thorough process for implementing an HR Plan for your organization.

7.1 Agreement with the Plan

First and foremost, there must be agreement and ownership with the strategic human resources plan being implemented. Specifically, senior management must be personally engaged in the project and demonstrate their commitment. At first glance, this may seem like a redundant step, as many individuals are likely to have been involved in the plan since its initial consideration. However, it is common knowledge and a formal tenet of doing business that initial plans are always subject to change.

7.2 Allocate Resources

It is also essential to consider the implications for space, equipment, and other existing resources that the Human Resource plan will have on the organization. For example, if the plan requires hiring additional personnel, the organization must ensure it has sufficient office space, supplies, and funds to accommodate them.

Also, suppose the organization chooses to hire, or is required to hire, employees with disabilities. In that case, it may need to make physical changes to its facility to comply with laws governing disabled employees. This may entail installing wheelchair ramps and automatic doors, and adding handicapped parking spaces. It may also require the purchase of specialized equipment.

Suppose the proposed Human Resource change is significant. In that case, it may also be in the organization's interests to provide additional services to enhance employees' comfort, such as on-site dining facilities, athletic facilities, or even childcare services.

Allocating adequate resources demonstrates the company's leadership's seriousness about the plan and will help motivate employees to complete their assigned tasks.

7.3 Communicate the Plan

It is essential to communicate the requirements of your action plan throughout your business. This communication should articulate the following:

- a. How the plan ties to the organization's overall Strategic Plan.
- b. What changes in Human Resource Management policies, practices, and activities will be made to support the Strategic Plan.
- c. How many changes in Human Resource Management impact branches/departments/units/staff, including a timeframe if appropriate.
- d. How branches/departments/units/staff will be supported through any changes, and
- e. How the organization will be different in the future.

Make sure everyone understands how the plan delivers on your vision and business strategy. Focus primarily on communicating regularly with employees responsible for accomplishing specific tasks.

Hold regular follow-up meetings to discuss the plan's implementation. Meeting frequency depends on your company, but it is common to schedule more sessions in the first several months and eventually spread them out as progress on implementation gains momentum. You can also hold more in-depth quarterly and annual reviews.

Remember that communication goes both ways. Invite employee feedback on the action plan and how to improve its implementation.

7.4 Hold Employees Accountable and Reward Success

Hold employees responsible for accomplishing their assigned tasks on time. If they fail to do so, investigate why. Was the timeline realistic? Did the employee have adequate resources and support? If not, be sure to make the needed adjustments.

Also, recognize and/or reward employees when they accomplish their tasks on time. You can do this at follow-up meetings, in internal communications, and in performance reviews.

7.5 Keep the Plan Alive

When you start implementing your action plan, stay disciplined by sticking to the follow-up and measurement process you've outlined. It is also helpful to recognize employees for meeting or surpassing their responsibilities and hold them accountable for failing to do so.

Regularly discussing the action plan internally is a good way to keep your entire strategic plan alive and at the forefront of employees' attention. Invite employees to get feedback on how the implementation is going. Talk about your progress in follow-up meetings. Allowing your action plan to be overtaken by developments in your company is a sure way to have it fall into disuse, which could cause your entire business strategy to unravel.

It is advised that a new action plan be created for the following year, drawing on your overall business strategy and lessons you've learned so far.

7.6 Compliance

An organization must ensure its proposed Human Resource planning strategy complies with existing laws, regulations, and contractual obligations. Depending on the industry the organization is in, this might seem daunting. Organizations may need to be aware of laws and regulations in corporate law, agency law, labor law, antitrust law, contract law, and related areas. In addition to all applicable domestic laws, if an organization enters into an outsourcing relationship or strategic alliance with an organization in another country, it must also be aware of the laws in that country. This may prove to create a highly complex situation when dealing with international legal systems vastly different from the organization's home country.

7.7 Timelines

Now establish a timeframe for achieving each action. Some steps are as follows.

- a. Establish a follow-up and measurement process.
- b. Spell out how you will follow up on the action plan to ensure the steps are carried out. This can include internal reporting and regular meetings held to discuss the plan's progress.
- c. Also, specify the measures you will use to track implementation. These can include both milestones, such as the completion of certain tasks, and quantifiable measures, such as revenue or market share.

BUDGET AND RESOURCE ALLOCATION

8.0 Learning Outcomes

By the end of the chapter, you will be able to:

- a. Develop an HR Planning Budget
- b. Identify Diverse Resources in the Organization

Budgeting and resource allocation are not merely financial exercises; they are strategic decisions that determine whether the HR Plan can be delivered.

8.1 Guiding Steps to Set Your Budget

8.1.1 Review Past HR Performance

This step provides insight into the organization's historical human resource performance and resource utilization. It involves reviewing previous HR expenditure, workforce trends, recruitment costs, training investments, employee turnover patterns, and other HR-related metrics.

By analyzing past HR budgets and outcomes, the organization can identify areas where resources were effectively utilized and areas where adjustments may be required. This retrospective analysis provides a solid foundation for developing a realistic and informed HR budget.

8.1.2 Forecast Workforce and Talent Needs

An effective HR budget should consider different workforce planning scenarios based on organizational growth projections. HR departments should develop multiple planning scenarios such as a base case (expected workforce needs), a growth case (expansion or increased hiring), and a constraint case (cost control or workforce stabilization).

These projections allow HR leaders to adjust recruitment plans, training investments, and workforce development initiatives as organizational priorities evolve throughout the year.

8.1.3 Estimate HR Program Costs and Expenses

HR must estimate the financial resources required to implement planned HR initiatives. This includes costs associated with recruitment campaigns, employee training and development programs, employee engagement initiatives, compensation adjustments, and HR technology systems.

Estimating these costs should involve analyzing historical HR spending patterns and considering any new initiatives or policy changes that may influence HR expenditure during the planning period.

8.1.4 Identify Capital Investments for HR Initiatives

Certain HR strategies may require capital investments to support workforce development and operational efficiency. These investments may include HR information systems (HRIS), learning

management systems, training facilities, workplace equipment, and employee wellness infrastructure.

Careful evaluation of these capital expenditures helps determine which HR initiatives should be prioritized based on organizational needs and available resources.

8.1.5 Forecast HR-Related Cash Flow

Forecasting cash flow related to HR activities helps the organization understand when funds will be required to support workforce initiatives. This includes anticipating expenditures related to recruitment drives, training programs, employee benefits, and HR technology implementation.

By forecasting HR-related cash flow, organizations can ensure that adequate financial resources are available to support planned HR strategies without disrupting overall organizational financial stability.

8.2 Types of Resources

For HR planning, the HR department must assess the resources it has available to implement workforce strategies effectively. These resources determine how well HR can recruit, develop, retain, and manage employees in alignment with organisational goals. The following are five key types of resources specific to the HR department and HR planning.

8.2.1 Human Resources (HR Personnel and Expertise)

This refers to the HR professionals responsible for designing and implementing HR strategies. Their competencies, experience, and expertise in areas such as recruitment, training, performance management, and employee relations significantly influence the effectiveness of HR planning. A well-skilled HR team ensures that workforce strategies are properly developed and executed.

8.2.2 Financial Resources (HR Budget)

Financial resources determine the extent to which HR initiatives can be implemented. The HR budget supports activities such as recruitment campaigns, employee training programmes, compensation and benefits, engagement initiatives, and HR technology investments. Adequate financial resources enable HR departments to attract and retain high-quality talent.

8.2.3 Technology and HR Information Systems (HRIS)

Technology resources include HR information systems, digital recruitment platforms, learning management systems, and performance management tools. These technologies help HR departments collect workforce data, automate HR processes, track employee performance, and support data-driven HR planning.

8.2.4 Data and Workforce Analytics Resources

HR planning relies heavily on accurate workforce data. This includes employee records, performance metrics, turnover data, training records, and workforce demographics. Access to

reliable HR analytics enables HR leaders to forecast workforce needs, identify skill gaps, and evaluate the impact of HR strategies.

8.2.5 Training and Development Resources

These resources include internal trainers, external training providers, learning platforms, and professional development programs available to employees. Strong training resources help organisations close skill gaps, build leadership pipelines, and ensure employees have the capabilities required for future organisational needs.

Together, these resources enable the HR department to design and implement effective HR plans that support organisational growth and workforce sustainability.

9.0 MONITORING, EVALUATING AND ADJUSTING THE HR PLAN

9.0 Learning Outcomes

By the end of the chapter, you will be able to:

- a. Identify Some HR Metrics
- b. Recognize the Stages of Risk Management
- c. Monitor and Evaluate Their Strategic HR Plan
- d. Make Adjustments to the HR Plan Where Necessary

Once you have a successful Strategic HR plan, the final step in any planning process is to monitor and evaluate progress.

9.1 Why Monitoring & Evaluation is Key

Below are the main objectives and benefits of monitoring the HR strategic plan:

9.1.1 Ensuring That Activities Are Being Performed Within the Defined Parameters

During the development of HR strategic planning, for each activity planned, the necessary parameters for its accomplishment are considered, including costs, execution time, financial resources, materials, and human resources, among others.

While the plan is being put in place, the HR manager must ensure that all activities are carried out within the proper parameters.

Rather than assessing, the manager must also look out for changes in course and whether the parameters for any activity need to be rethought. Ensuring activity progress helps set performance standards that indicate progress towards long-term goals, assesses people's performance, and provides input for feedback.

9.1.2 Ensuring Activities Are Consistent with Company DNA

The soul of the organization is closely linked to HR's vision, mission, and values. Monitoring Strategic HR Planning also helps ensure that activities are developed in accordance with the values that guide the organization and its culture, as they are directly related to the organizational climate and the company's corporate image.

9.1.3 Assessing Ability to Achieve Goals and Identify Problems

Analyzing both the internal and external workforce, and the exchange of ideas, is also essential for measuring how well the plan is achieving its objectives for the period. By comparing performance data with established standards, it is possible to visualize or anticipate possible bottlenecks in the corporate daily life.

9.2 Various Metrics for HR Strategies

9.2.1 Metrics for Attraction, Recruitment & Hiring

These metrics measure how effectively the organization attracts and hires talent.

Key Metrics

- a. **Time to Fill:** Measures the number of days it takes to fill an open position.
- b. **Cost per Hire:** Total recruitment costs divided by the number of hires.
- c. **Offer Acceptance Rate:** Percentage of candidates who accept job offers.
- d. **Quality of Hire:** Performance rating of new hires after a specified period.
- e. **Recruitment Efficiency Ratio:** Revenue generated compared to recruitment investment.
- f. **Employee Growth Rate:** Rate at which the workforce is expanding over time.

9.2.2 Metrics for Attrition & Retention

These metrics help organizations monitor employee turnover and workforce stability.

Key Metrics

- a. **Attrition Rate:** Percentage of employees leaving the organization during a period.
- b. **Retention Rate:** Percentage of employees who remain with the organization.
- c. **Early Turnover Rate:** Percentage of employees leaving within their first year.
- d. **Turnover by Department:** Identifies departments with higher attrition levels.
- e. **Internal Promotion Rate:** Percentage of positions filled internally.
- f. **Average Employee Tenure:** Average length of time employees stay in the organization.

9.2.3 Metrics for Employee Engagement

These metrics assess employee commitment and motivation.

Key Metrics

- a. **Employee Engagement Index:** Overall engagement score from employee surveys.
- b. **Pulse Survey Participation Rate:** Percentage of employees responding to engagement surveys.
- c. **Employee Net Promoter Score (eNPS):** Measures employees' willingness to recommend the organization as a workplace.
- d. **Recognition & Reward Participation Rate:** Percentage of employees receiving recognition or rewards.
- e. **Manager Feedback Score:** Measures effectiveness of managers through employee feedback.
- f. **Employee Participation in Engagement Programs**

9.2.4 Metrics for Employee Experience

These metrics measure employees' overall workplace experience and the quality of the working environment.

Key Metrics

- a. **Absenteeism Rate:** Percentage of workdays lost due to employee absence within a given period.
- b. **Average Absence Days per Employee:** The average number of days employees are absent during a specific period.
- c. **Employee Feedback Score:** Measures employee satisfaction based on surveys or feedback mechanisms.
- d. **Workload Satisfaction Score:** Indicates employees' perception of whether their workload is manageable and fairly distributed.
- e. **Workplace Well-being Index:** Measures employees' physical, mental, and emotional well-being within the organization.
- f. **Attendance Rate:** Percentage of scheduled workdays that employees actually attend.

9.2.5 Metrics for Performance Management

These metrics assess workforce productivity, effectiveness, and alignment with organizational goals.

Key Metrics

- a. **Revenue per Employee:** Total organizational revenue divided by the number of employees.
- b. **Profit per Full-Time Employee (FTE):** Total organizational profit divided by the number of full-time equivalent employees.
- c. **Human Capital ROI:** Measures the return generated from the organization's investment in employees.
- d. **Average Performance Rating:** The average performance score of employees based on formal performance evaluations.
- e. **High Performer Rate:** Percentage of employees classified as top performers in performance assessments.
- f. **Goal Achievement Rate:** Percentage of organizational or departmental performance goals successfully achieved.

9.2.6 Metrics for Learning & Development

These metrics evaluate the effectiveness and impact of employee training and development initiatives.

Key Metrics

- a. **Average Training Hours per Employee:** The average number of training hours completed by employees during a given period.
- b. **Training Cost per Employee:** Total training expenditure divided by the number of employees trained.
- c. **Training ROI:** Measures the financial or productivity gains resulting from training programs.
- d. **Performance Gain Value:** The measurable improvement in employee performance following training.

- e. **Training Participation Rate:** Percentage of employees who participate in training programs.
- f. **Training & Development Access Rate:** Percentage of employees who have access to learning and development opportunities.

9.2.7 Metrics for Diversity, Equity & Inclusion (DEI)

These metrics measure diversity representation and fairness in organizational practices.

Key Metrics

- a. **Workforce Diversity Ratio:** The proportion of employees from different demographic groups within the workforce.
- b. **Gender Pay Gap:** The difference in average earnings between male and female employees.
- c. **Representation in Leadership Roles:** Percentage of leadership positions held by individuals from diverse groups.
- d. **Promotion Rate by Demographic Group:** Measures how promotion opportunities are distributed across different employee groups.
- e. **Salary Distribution by Group:** Compares salary levels across demographic groups to identify pay equity issues.
- f. **Overtime Cost Distribution:** Measures how overtime opportunities and compensation are distributed among employees.

9.2.8 Ergonomics Metrics

These metrics help organizations assess whether workplace ergonomic conditions support employee health, safety, comfort, and productivity.

Key Metrics

- a. **Work-Related Musculoskeletal Disorder (WMSD) Rate:** Measures the percentage of employees reporting musculoskeletal issues such as back pain, neck strain, or repetitive strain injuries related to workplace conditions.
- b. **Ergonomic Risk Assessment Coverage:** Percentage of workstations or job roles that have undergone formal ergonomic assessment.
- c. **Ergonomic Incident Rate:** Tracks the number of workplace injuries or health complaints linked to poor workstation design or physical strain.
- d. **Workstation Ergonomic Compliance Rate:** Measures the percentage of workstations that meet established ergonomic standards for seating, monitor positioning, lighting, and equipment placement.
- e. **Employee Ergonomic Satisfaction Score:** Measures employee perception of workplace comfort and physical work conditions based on employee surveys.
- f. **Absenteeism Due to Ergonomic Issues:** Tracks the number of workdays lost due to injuries or health problems related to poor ergonomic conditions.

9.3 Monitoring the HR Strategic Plan

Monitoring an HR Plan ensures that the strategies and initiatives implemented are producing the intended workforce outcomes and supporting organizational goals. HR departments must therefore establish mechanisms to track progress, evaluate effectiveness, and make adjustments where necessary.

Below are five practical ways HR can monitor their HR Plan.

9.3.1 Tracking HR Metrics and Key Performance Indicators (KPIs)

HR can monitor the success of the HR Plan by tracking measurable indicators such as recruitment efficiency, employee turnover, training participation, engagement levels, and productivity. These metrics provide data-driven insights into whether HR strategies are achieving their objectives.

9.3.2 Regular Performance Reviews and Progress Reports

Periodic reviews of HR initiatives help determine whether planned activities are being implemented as scheduled. HR departments can prepare quarterly or bi-annual reports to assess progress against the targets outlined in the HR Plan.

9.3.3 Employee Surveys and Feedback Mechanisms

Collecting feedback from employees through engagement surveys, satisfaction surveys, or focus group discussions allows HR to understand how employees perceive workplace policies, leadership practices, and development initiatives. This feedback can reveal areas that require improvement.

9.3.4 HR Audits and Compliance Reviews

HR audits help evaluate whether HR policies, procedures, and practices are being implemented effectively and in compliance with organizational standards and labour regulations. Audits also identify gaps between planned HR initiatives and actual HR practices.

9.3.5 Management and Stakeholder Reviews

HR departments can conduct periodic meetings with senior management and departmental leaders to review the impact of HR strategies on organizational performance. These discussions provide an opportunity to align HR initiatives with evolving business priorities and adjust the HR Plan when necessary.

9.4 Evaluating the HR Strategic Plan

Evaluating an HR Plan involves assessing whether the HR strategies and initiatives implemented have achieved their intended objectives and contributed to organizational performance. While monitoring focuses on tracking progress during implementation, evaluation focuses on measuring the overall effectiveness and impact of the HR Plan.

Below are five ways HR can evaluate their HR Plan.

9.4.1 Analysis of HR Performance Metrics

HR can evaluate the effectiveness of the HR Plan by analysing key HR metrics such as recruitment efficiency, employee turnover rates, engagement scores, productivity levels, and training outcomes. Comparing these metrics before and after implementing the HR Plan helps determine whether the strategies have improved workforce performance.

9.4.2 Achievement of HR Strategic Objectives

HR should assess whether the strategic objectives outlined in the HR Plan have been successfully achieved. This includes evaluating whether targets related to workforce development, recruitment, retention, performance improvement, or diversity have been met.

9.4.3 Employee Performance and Productivity Outcomes

Improvements in employee performance, productivity, and quality of work can indicate the success of HR initiatives such as training programs, performance management systems, and employee engagement strategies. Evaluating these outcomes helps determine whether HR interventions are contributing to organizational effectiveness.

9.4.4 Employee Feedback and Satisfaction Levels

HR can evaluate the impact of the HR Plan by gathering feedback from employees through surveys, interviews, and focus groups. High levels of employee satisfaction, engagement, and morale may indicate that HR initiatives are positively influencing the workplace environment.

9.4.5 Return on Investment (ROI) of HR Initiatives

Evaluating the financial and operational returns from HR initiatives helps determine whether the resources invested in HR programs are producing measurable benefits. For example, HR can assess whether training programs have improved employee productivity or whether retention initiatives have reduced turnover costs.

9.5 Adjusting the HR Strategic Plan

Adjusting an HR Plan is necessary when organizational priorities change, workforce conditions evolve, or evaluation results reveal gaps in HR strategies. HR departments must therefore remain flexible and responsive to ensure that the HR Plan continues to support organizational goals effectively.

The following are five ways HR can adjust their HR Plan.

9.5.1 Revising Workforce Forecasts

HR may need to update workforce projections if there are changes in business strategy, organisational expansion, or economic conditions. Revising workforce forecasts ensures that staffing levels and skill requirements remain aligned with organizational needs.

9.5.2 Updating HR Strategies and Initiatives

If certain HR strategies are not delivering the expected outcomes, HR can modify or replace them with more effective approaches. For example, recruitment methods, training programs, or engagement initiatives may be redesigned to better address workforce challenges.

9.5.3 Reallocating HR Resources

HR may adjust the allocation of financial, technological, or human resources to support the most critical workforce priorities. This may involve increasing investment in areas such as employee development, talent acquisition, or digital HR systems.

9.5.4 Strengthening Policies and Processes

Adjustments may involve reviewing and improving HR policies, procedures, and systems to ensure they support organizational efficiency and compliance. Updated policies can address emerging workforce issues or operational gaps identified during monitoring and evaluation.

9.5.5 Responding to Organizational and Environmental Changes

HR must adjust the HR Plan in response to changes in the business environment, such as technological advancements, labour market trends, regulatory changes, or organizational restructuring. Adapting the HR Plan ensures that the organization remains competitive and resilient in a dynamic environment.

9.6 Ensuring the Effectiveness of the HR Plan

9.6.1 Adequate Information System

The main problem faced with Human Resource Planning is the lack of information. So, an adequate Human Resource database should be maintained/developed to enable better coordinated and more accurate Human Resource Planning.

9.6.2 Participation

To be successful, Human Resource Planning requires active participation and coordinated efforts on the part of operating executives. Such participation will help to improve understanding of the process and thereby reduce resistance from the top management.

9.6.3 Adequate Organization

Human Resource Planning should be organized appropriately; a separate section or committee within the human resource department may be constituted to provide adequate focus and coordinate planning efforts at various levels.

9.6.4 Human Resource Planning Should Be Balanced with Corporate Planning

Human resource plans should be aligned with the company's corporate plans. The methods and techniques used should align with the organization's objectives, strategies, and environment

9.7 Risk Management in HR Planning

Human resource (HR) planning involves anticipating an organization's workforce needs and aligning them with its strategic objectives. However, HR planning is not without uncertainties; shifts in labour markets, economic conditions, technology, and organizational priorities can all disrupt workforce stability.

Risk management in HR ensures that these uncertainties are anticipated and managed proactively to sustain organizational performance, protect talent pipelines, and ensure compliance with labour laws and standards.

9.7.1 Importance of Risk Management in HR Planning

Effective HR risk management allows organizations to remain **resilient, agile, and compliant** even in times of uncertainty. It strengthens the link between people strategy and business continuity.

Key reasons it matters include:

- a. **Ensures Workforce Stability:** Anticipating staffing risks prevents talent shortages and skill mismatches.
- b. **Protects Organizational Reputation:** Managing employee relations and compliance risks safeguards public and internal trust.
- c. **Improves Decision-Making:** Clear visibility of potential HR risks supports proactive leadership actions.
- d. **Enhances Legal and Regulatory Compliance:** Reduces exposure to penalties, lawsuits, and reputational harm.
- e. **Supports Business Continuity:** Ensures that critical roles and functions remain covered even during crises or transitions.

9.7.2 Common HR Risks

Organizations face a variety of HR-related risks that can affect both performance and reputation.

Key categories include:

- a. **Talent Risks:** Recruitment challenges, high turnover, succession gaps, or skill shortages.
- b. **Compliance Risks:** Violations of labour laws, occupational safety, or ethical standards.
- c. **Operational Risks:** Inefficient HR processes, inaccurate data, or weak internal controls.
- d. **Cultural and Engagement Risks:** Low morale, poor communication, or toxic workplace culture.
- e. **Technological Risks:** Data breaches, inadequate HR systems, or failure to adopt HR tech.
- f. **Strategic Risks:** Misalignment between workforce planning and long-term business goals.

9.7.3 The Risk Management Process

Managing HR risks requires a systematic, structured approach that enables teams to **identify, assess, mitigate, and monitor** potential threats to workforce performance.

Step 1: Risk Identification

Identify all potential HR-related risks that may hinder workforce efficiency or organizational compliance.

Example: A lack of succession planning for critical roles.

Step 2: Risk Analysis

Assess the potential impact and likelihood of each identified risk.

Example: Losing a key employee without a replacement plan could delay major projects or disrupt operations.

Step 3: Risk Evaluation and Prioritization

Rank risks based on their severity using a **Risk Matrix** combining impact and likelihood. This helps focus attention on high-priority threats.

Likelihood	Impact	Priority
Low	Low	Monitor
High	Low	Manage
Low	High	Prepare Contingency
High	High	Immediate Action

Step 4: Risk Mitigation

Develop targeted strategies to prevent, reduce, or transfer risks.

- Preventive Actions:** Strengthen recruitment pipelines, develop retention programs, and enhance data security.
- Reduction Actions:** Implement leadership development and succession planning initiatives.
- Transfer Actions:** Use outsourcing, contractors, or insurance for specific HR functions.
- Acceptance:** Acknowledge minor risks that have limited business impact but monitor them closely.

Step 5: Monitoring and Review

Risk management is a continuous process. Track HR metrics (e.g., turnover rate, absenteeism, time-to-hire) and review mitigation strategies regularly to ensure ongoing effectiveness.

9.7.4 Integrating Risk Management into HR Planning

Risk management should be embedded into every stage of the HR planning, from workforce forecasting to execution and review.

- During Planning:** Identify workforce assumptions and vulnerabilities (e.g., talent scarcity, demographic shifts).
- During Implementation:** Monitor key HR indicators and respond quickly to emerging workforce issues.
- During Evaluation:** Capture lessons learned and refine HR strategies for improved organizational resilience.

10.0 CONCLUSION

The ultimate goal of strategic planning is to identify opportunities and associated risks by aligning an organization's objectives and activities with the proper allocation of available resources to produce the desired profit.

In these processes, HR should play an important role at every step in implementing the various strategies & planning processes, thereby increasing the value of HR professionals and HR functions.

Knowledge and proper application of the HR plan are essential to the organization's effective functioning. Depending on the outcome of the HR processes, the best department in an organization.